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SUBJECT: PRESIDENT BUSH ACKNOWLEDGEMENT OF CIA PRISONS; DVC WITH US
AMBASSADOR GREGORY SCHULTE ON IRAN; IDB LOAN FOR ARGENTINA;
US-PARAGUAY AND US-URUGUAY FTAs; 09/07/06; BUENOS AIRES

1. SUMMARY STATEMENT

Local international stories include US President George W. Bush acknowledging the existence of previously secret CIA prisons around the world; a DVC with US Ambassador to the International Atomic Energy Agency Gregory Schulte on the diplomatic challenge posed by Iran's nuclear program; the IDB loan for Argentina; and the US-Paraguay and US-Uruguay FTAs.

2. OPINION PIECES AND KEY STORIES

- "The US acknowledges it used secret prisons all over the world"

Ana Baron, Washington-based correspondent for leading "Clarín," writes (09/07) "Two months away from legislative elections, in a real change of direction, US President George W. Bush acknowledged yesterday that the CIA has clandestine prisons all over the world, which were created after the September 11 attacks. And he announced that 14 terrorists detained in these prisons were transferred to Guantanamo Bay for trials. Bush also urged the US Congress to adopt legislation establishing legal military courts where terrorists can be judged for diverse crimes including the September 11 attacks.

"... If an attack is always the best defense, Bush decided to go beyond that, and during the press conference he granted, in which he was surrounded by relatives of victims to the September 11 attacks, he revealed the existence of CIA clandestine prisons highlighting that these secret prisons had brought big achievements in the global war on terrorism."

- "The achievements of war"

Marcelo Cantelmi, international editor of leading "Clarín," writes (09/07) "It was an election campaign act rather than an acknowledgement of guilt or mistakes... George W. Bush exhibited the lamentable existence of clandestine prisons as a new achievement and he did so by looking to the imminent anniversary of the terrible September 11 attacks...

"Bush needs to revive those ghosts to strengthen his administration vis-à-vis upcoming November legislative elections.

"Everything that has happened ever since the September 11 attacks has a ghostly face, ranging from abuses at the Abu Ghraib prison, lack of rights at Guantanamo, and the decision to ignore centuries of international legality by sustaining a 'pre-emptive' attack concept. However, the White House considers those obscurities legitimate tools, and it modifies reality... and makes up paradises of war achievements where one can only predict swamps."

- "'Iran has no nuclear weapons but it is seeking them'"

Claudio Mario Aliscioni, international analyst of leading "Clarín," writes (09/07) "Ambassador Gregory Schulte has been the US Representative at the International Atomic Energy Agency (IAEA) in Vienna for one year. He has never been in Argentina but he repeatedly underscores Argentina's cooperation against nuclear proliferation. As a White House delegate, his criticism is focused on Iran, which Washington accuses of developing a nuclear program with military purposes.

"However, the fiasco of the invasion of Iraq makes him cautious when condemning the Tehran regime 'We do not believe Iran has nuclear weapons, but we do believe it is seeking to obtain them.'

"During a two-hour DVC between his Austrian office and the US Embassy in Buenos Aires, Schulte repeated many times that his country is seeking a 'diplomatic solution' to the crisis with Iran, which refuses to suspend its nuclear program based on its civil purposes. The US rejects it and encourages UN sanctions. However, some members of the UN Security Council, such as Russia and China, who have strong commercial ties with Tehran, are trying to put a brake on Washington's disciplinary options.

"'Clarín' asked why the world should now trust the US charges against Iran when all previous arguments against Iraq were proven false.

"'I do not blame you for the question. I also asked whether we were sure about the information on Iraq. But now we have better information than in the past.' 'We did not find a 'smoking gun', but we do have years and years of deceit and the fact that Iran is taking steps to master technology, which, through enriched uranium, can lead to the manufacture of nuclear weapons. And this is not speculation.'

"Asked whether the US would seek unilateral sanctions in the event the UN imposes no sanctions on Iran, Schulte answered 'We seek UN Security Council sanctions. What you mention is highly hypothetical.'"

- "The US urges to impose 'firm sanctions' on Iran"

Dolores Ayerra, columnist of business-financial, center-right "InfoBae," comments (09/07) "The Bush administration is convinced that Iran is developing a nuclear armament program, which it is not willing to suspend. While the US asks for an urgent solution, it has dismissed a military attack.

"... During a DVC organized by the US Embassy in Argentina, US Representative at the UN in Vienna, Gregory Schulte reviewed the conclusions of said report and he expressed his deep concern in relation thereto.

"Schulte pointed out that the report warns that 'Iranian authorities have not complied with the UN Security Council's demands to suspend their enriched uranium-related activities.' He also underscored that the document shows more than a dozen instances in which Iran has denied AIEA inspectors adequate access to information, facilities and individuals.

"While the Tehran government argues that this program is only for peaceful purposes, the US is increasingly suspicious and it questions the alleged civil use of said technology.

"... Schulte urged the international community to seek a diplomatic and urgent solution to the conflict, which should be backed by firm sanctions. In spite of the increasing tension, the White House has dismissed any unilateral and military solution."

- "Face to face"

Santiago O'Donnell, international columnist of left-of-center "Página 12," writes (09/07) "During the morning I attended a DVC with US Ambassador to the AIEA, Gregory L. Schulte. During the afternoon I read some statements from Iranian President Mahmud Ahmadinejad. Both of them, the American and the Iranian, spoke of

the same. It is a pity that their countries have cut their ties and that the two of them cannot talk face to face.

"By using some quotes of statements made by the two of them, I can imagine the following dialogue between them.

"Ambassador Schulte: 'The AIEA report, which was submitted to the UN Security Council last august 31, focuses on two fields - cooperation, or better said, (Iran's) lack of cooperation with AIEA inspectors, and its suspension, or better said, refusal to suspend its nuclear program, as mandated by the UN...'

"President Ahmadinejad: 'My visit to the UN in New York on September 12 is a good opportunity to organize a public debate...'

"Ambassador Schulte: 'There is no 'smoking gun,' but there are enough signs that the US and the international community are convinced that Iran is seeking to develop a nuclear weapon.'

"President Ahmadinejad: 'We want to submit proposals to better lead the world, and establish justice, calm, welfare, peace, friendship and gentleness.'

"Ambassador Schulte: 'Iran says it wants to achieve nuclear development with peaceful purposes, but it has no nuclear energy electric centrals. For the one it is building, it has committed Russian nuclear material. For years the nuclear central of Natanz was disguised as an agricultural research center.'

"President Ahmadinejad: 'I do not agree with the methods of big powers, particularly those of the US and UK to lead the world.'

"... Well, we made a try. The dialogue did not end well, but it is better than nothing. Perhaps, when they do realize that they should have a dialogue, it will be too late."

- "The US: 'This is the moment for sanctions'"

Daily-of-record "La Nacion's" international columnist Dolores Tereso writes (09/07) "Convinced that words are not enough, the US believes that this is the time to act. Vis-à-vis an Iran that, according to Washington, is only trying to 'buy time' to continue developing its controversial nuclear program, diplomacy needs some help.

"US Ambassador to the AIEA Gregory Schulte said yesterday 'Time has

come for the UN Security Council to back diplomacy with sanctions.' The US diplomat made these statements in Vienna, AIEA headquarters, during a DVC with Argentine media representatives at the US Embassy in Buenos Aires.

"... While Schulte did not give details on the kinds of sanctions the US is planning (although it is known that they would be gradually imposed), Schulte said that those sanctions would be focused on weakening Tehran's nuclear program and that they will not be intended to 'punish the Iranian people.'

"Consulted on the possibility that the US could analyze the military option against Tehran in the event sanctions will not persuade the Islamic regime to abandon its nuclear program, the US diplomat insisted that the White House would be limited to the diplomatic solution...

"Nonetheless, he clarified that diplomacy must 'urgently' act and he recalled the Iranian president's call to 'wipe Israel off the map.' He added 'Imagine this government armed with nuclear weapons. Iran is the most active sponsor of terrorism, and both the US and Argentina have suffered the effects of its action.'

"For its part, Ahmadinejad responded to Bush's charges and defied him to debate face to face with him during the UN General Assembly in New York. Iran's challenging attitude seems to be based on the conviction that the threat or sanctions will not be made effective due to Russia and China's opposition... However, in a change in his position, Russian FM Serguei Lavrov said yesterday for the first time that Russia would analyze the possibility of imposing economic sanctions on Iran."

- "Argentine position on Iran is praised"

Jorge Sosa, columnist of business-financial "El Cronista," writes (09/07) "US Ambassador Gregory Schulte, US permanent representative at the UN in Vienna and the AIEA, said that 'Argentina has played an important role,' referring to the Kirchner administration's support for the UN Security Council's claim that Iran should suspend its nuclear program, which Washington considers a serious world threat.

"Schulte said that Argentina, through its diplomats, 'has clearly expressed in public and private encounters the need for Iran to cooperate' with the UN request for access to information on its enriched uranium plan, which according to the US, is only intended to develop nuclear armament."

- "The IDB grants a loan for Argentina in spite of US opposition"

Ana Baron, Washington-based correspondent for leading "Clarín," writes (09/07) "The IDB approved yesterday a 50-million dollar loan for Argentina in spite of the fact that the US representative voted against it during a Board meeting in which they discussed the issue.

"The loan will be used for a project to build two satellites for a total amount of 100 million dollars. The IDB will only contribute half of said amount.

"Argentine Ambassador to Washington, Jose Octavio Bordon, made attempts at the US Treasury Department and the US Department of State to convince them that the US should abandon its reservations but his efforts were in vain.

"The US Treasury Department believes that the IDB priority right now is granting loans for infrastructure and not for these kinds of loans for satellites.

"... The current political disagreement between the US and Argentina is public and remarkable and it reappears again just a few days away from President Nestor Kirchner and Economy Minister Felisa Miceli's visit to New York to attend the UN Assembly."

- "Will Paraguay also reach an FTA with the US"

Business-financial "Ambito Financiero" reports (09/07) "Uruguay and Paraguay seem determined to make progress on direct negotiations outside of Mercosur to reach an FTA with the US. It was made public that Uruguayan President Tabare Vazquez has arranged to hold a meeting with Lula to speak about this issue. For his part, the new Paraguayan FM, Ruben Ramirez, asserted that the rest of Mercosur partners 'should not be surprised' that his country will start negotiating an FTA with the US.

"Vazquez intends to start sharing information with the Bush administration to reach an FTA in early October, but before this he

believes there should be a direct nod from Mercosur in support of these negotiations."

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